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Department of State

TELEGRAM

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CONFIDENTIAL 575 POSS DUPE

PAGE 01 TRIPOL 01650 191546Z

DECLASSIFICATION DATE 3/1/76
PER MBerry OFFICE NEA
FADRC FOI CASE NO. 5-A-78

44
ACTION EB-11

INFO OCT-01 AF-10 EUR-20 NEA-10 OEP-01 T-03 COM-08 COME-00
PM-08 AID-20 NSC-10 RSC-01 CIEP-02 SAL-01 SS-14
STR-08 OMB-01 CEA-02 CIAE-00 FRB-02 INR-06 NSAE-00
TRSE-00 XMB-07 OPIC-12 LAB-06 SIL-01 P-03 PRS-01
USIA-12 RSR-01 INT-08 /190 W

116106

R 191430Z OCT 72
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 9307
INFO AMEMBASSY BEIRUT
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSYNLONDON
AMEMBASSY PARIS

RETYPED BY cj 3/4/83

C O UNCLASSIFIED T I A L TRIPOLI 1650

SUBJECT: BUNKER HUNT

REF: A) TRIPOLI 1607 B) STATE 188482

1. IT NOW APPEARS BUNKER HUNT'S PROBLEMS ARE SOMEWHAT MORE COMPLICATED (OR, ALTERNATIVELY, PERHAPS SIMPLIFIED) THAN INDICATED REFTELS.

2. WE NOW GATHER THAT LARG PARTICIPATION DEMARCHE WAS TIED TO LARG DEMAND THJT BH PAY BACK HALF OF PROCEEDS FROM OIL PRODUCED ST SARIR SINCE DATE OF PB NATIONALIZATION (DECEMBER 8, 1971).

3. BH REPS NOW IN TRIPOLI HAVE NOT CONTACTED US AND WITH JOSIF AND COUNTRYMAN BOTH ON LEAVE, WE HAVE NOT BEEN ABLE RUN THEM DOWN. HOWEVER, WE HAVE FOLLOWING ACCOUNT OF LARG-BH MEETING OCTOBER 18 FROM ANOTHER RELIABLE US COMPANY SOURCE.

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FORM

4. BH TEAM MET WITH MINPET U/S MUNTASSER RATHER THAN MABROUK AS ORIGINALLY STIUPLATED BY LARG.

5. BH REPS OPENED BY STATING THAT IF PROBLEM IS RELATIVE BH AS COMPARED AGEC OFFTAKE, THERE ARE OTHER FORMULAS WHICH COULD BE EMPLOYED TO REDRESS IMBALANCES EITHER ONE WAY OR OTHER. BH PREPARED DISCUSS SUCH FORMULAS, WHICH ITS REPS OUTLINED, WITH VIEW REACHING AGREED SOLUTION.

6. WHILE AGREEING OTHER FORMULAS THEORETICALLY POSSIBLE, MUNTASSER EMPHASIZED HE HAD NO FLEXIBILITY TO DISCUSS THEM. HIS DEMARCHE OF OCTOBER 4 MADE ON PRECISE INSTRUCTIONS OF JALLUD WHO HAD PRESCRIBED PARTICIPATION AS SOLUTION.

7. BH REPLIED IT WILLING IN PRINCIPLE DISCUSS PARTICIPATION AT APPROPRIATE TIME. HOWEVER, IT NOT PREPARED DO SO UNTIL PARTICIPATION NEGOTIATIONS IN GULF FINALIZED.

8. MUNTASSER REJOINED BY SAYING ONLY PARTICIPATION FORMULA ACCEPTABLE TO LARG MUST EMBRACE FOLLOWING PRINCIPLES (A) 50-50; (B) COMPENSATION AT BOOK VALUE FOR BH MARKETING OF ANY LARG SHARE OF CRUDE LATTER MIGHT DESIGNATE. RE GULF NEGOTIATIONS, MUNTASSER REMINDED BH THESE ONCE AGAIN UNRESOLVED AS RESULT KUWAIT MEETING.

9. MEETING ENDED WITH MUNTASSER PROMISING REPORT BH POSITIONS TO HIS SUPERIORS, INCLUDING FORMULAS REFERRED TO IN PARA 5. BH REPS REPORTEDLY PLEASED THAT MEETING TOOK PLACE WITH MUNTASSER WHO THEY FELT UNDERSTOOD THEIR PROBLEM, RATHER THAN WITH MORE DIFFICULT MABROUK. THEY ARE REMAINING IN TOWN FOR ANY LARG FOLLOW-UP AND WE WILL ENDEAVOR GET FULLER AND UPDATED READING WHEN COUNTRY-MAN RETURNS OCTOBER 22. GDS.
PALMER